S.B.CIVIL WRIT PETITION NO.691/1995

Ritu Marbles & Granites Pvt.Ltd.
V.
Raj.Financial Corpn.& Ors.

Date of Order :: 24th March, 2006

HON'BLE MR.JUSTICE GOVIND MATHUR

Mr. P.P.Choudhary, for the petitioner.
Mr. Anil Bhandari, for the respondents.

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A loan of Rs.36.76 lacs was advanced by Rajasthan Financial Corporation (hereinafter referred to as “the Corporation”) to the petitioner company. The company failed to repay the same, therefore, the industrial unit run by the company was taken over by the Corporation exercising powers under Sections 29 and 30 of the State Financial Corporation Act, 1951. The Corporation thereafter published a notice in daily newspaper Rajasthan Patrika in its edition dated 26.2.1995 for auction of the industrial unit. Being aggrieved by the same the instant petition for writ is preferred.

The contention of counsel for the petitioner is that the petitioner company failed to repay the loan advanced to it as the respondent No.3 i.e. Bank of Baroda refused to grant working capital in a tune of Rs.10,50,000/-. According to counsel for the petitioner it was the duty of the Corporation to compel the respondent No.3 to grant working capital in

favour of the petitioner or in alternative the Corporation itself should have sanctioned required working capital.

A reply to the writ petition has been filed on behalf of the Corporation stating therein that the petitioner for no just and valid reason failed to deposit the instalments against the loan advanced to it. It is also stated that working capital was required to be arranged by the petitioner and for that purpose the respondent No.3 by communication dated 5.3.1990 (Anx.1) informed the Corporation that the Bank shall make the working capital available to the petitioner.

Be that as it may, it was the responsibility of the petitioner himself to arrange the working capital and the liability with regard to Corporation cannot be ignored or deferred by the petitioner due to non availability of working capital. It is also stated at Bar by learned counsel for the Corporation that the industrial unit run by the petitioner company has already been sold and nothing is due therefrom.

Heard counsel for the parties.

The only contention of counsel for the petitioner is that working capital in the tune of Rs.10,50,000/- was not advanced by the respondent No.3

i.e. Bank of Baroda, therefore, it was not possible for the petitioner to run the industrial unit in its full swing, therefore, the instalments against the loan due were not paid. Counsel for the petitioner failed to satisfy the Court as to how the liability of the petitioner against the Corporation be deferred or kept in abeyance due to non availability of the working capital from the respondent No.3. The responsibility to arrange working capital was of the petitioner and in the event petitioner failed to get the same, it does not absolve it from the liability of satisfying the loan advanced by the Corporation.

In view of whatever discussed above, I do not find any force in the writ petition. The same, therefore, is dismissed with no order as to costs.

(GOVIND MATHUR),J.

kkm/ps.